

TO: JAMES J. WALDRON, CLERK

CASE NO. 08-14631 (GMB)

ADV. NO. 10-01398 (GMB)

IN RE: Shapes/Arch Holdings, L.L.C., *et al.*
(Jointly Administered)
The Class 10 Liquidation Trust v.
Carpey, *et al.*

CHAPTER 11

INFORMATION FOR NOTICE OF SETTLEMENT OF CONTROVERSY

The Class 10 Liquidation Trust (the "Class 10 Trust") proposes a settlement of claims and an action, the nature of which is described below.

If any creditor or other party in interest has an objection to the settlement, an objection and request for a hearing on such objection shall be in writing, served upon the Class 10 Trust's counsel and filed with the Clerk of the United States Bankruptcy Court.

Such objection and request shall be filed with the Clerk and served upon the Class 10 Trust's counsel no later than October 12, 2010.

In the event an objection is timely filed, a hearing thereon will be held on October 18, 2010, at 10:00 a.m., before the Honorable Gloria M. Burns, at the United States Bankruptcy Court, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, 4th Floor, Camden, New Jersey 08101.

If no objection is filed with the Clerk and served upon the person named below on or before October 12, 2010, the settlement will be consummated as proposed.

The nature of the action and the terms of the settlement are as follows:

NATURE OF ACTION	PERTINENT TERMS OF THE SETTLEMENT
The Class 10 Trust made a demand against Craig & Lori Seller (the "Sellers") seeking recovery of \$58,838 in transfers made by one or more of the Debtors to Defendant during the one year period preceding the Debtors' Chapter 11 filings under 11 USC § 548.	The Sellers and the Class 10 Trust have entered into a settlement agreement resolving the demand. Pursuant to the settlement agreement, the Sellers have agreed to make payment to the Class 10 Trust in the amount of \$25,000 in full satisfaction of any avoidance claims the Class 10 Trust has or might have against the Sellers and to waive any claims the Sellers might have against the Debtors or Class 10 Trust including the filing of any claim under 11 U.S.C. § 502(h).

Requests for additional information about the nature of the action or the terms of the settlement should be directed to:

NAME: Ilana Volkov, Esq.
ADDRESS: Cole, Schotz, Meisel,
Forman & Leonard, P.A.
Court Plaza North
25 Main Street
Hackensack, New Jersey 07601
TELEPHONE NO: (201) 489-3000

Donna H. Lieberman, Esq.
Halperin Battaglia Raicht, LLP
555 Madison Avenue – 9th Floor
New York, New York 10022

(212) 765-9100

SUBMITTED BY: /s/ Ilana Volkov, Esq.

POSITION: Co-counsel for the
Class 10 Trust's

PHONE: (201) 489-3000

DATED: September 20, 2010

TYPE OF TASK: BL STATEMENT 11S

NJ LOCAL FORM 10